

MINUTES
BOATING AND WATERWAYS COMMISSION MEETING
VENTURA, CALIFORNIA
June 27, 2006

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Secretary, Raynor Tsuneyoshi, on June 27, 2006, at 10:34 A.M., at the Marriott, 2055 Harbor Boulevard, Ventura, California.

ROLL CALL

Commissioners Present: H.P. "Sandy" Purdon
 Lenora S. Clark
 Charles P. "Bud" Johnson
 Edward C. Reno III
 Warren E. Rupf

Commissioners Absent: Jon S. Fleischman
 Robert Y. Nagata

Department of Boating and
Waterways Personnel Present: Raynor Tsuneyoshi, Director
 David Johnson, Deputy Director
 Steve Watanabe, Acting Division Chief
 Dolores Farrell, Chief of Operations
 Debra DeVerter, Chief of Administration
 Harold Flood, Supervisor of Planning, Facilities Division
 Mary Just, Associate Governmental Program Analyst
 Margarita Sanchez, Administrative Assistant
 Greg Pacheco, Boating Facilities Analyst

ELECTION OF OFFICERS

Mr. Tsuneyoshi called for the election of officers.

MOTION: It was moved by Commissioner Reno and seconded by Commissioner Johnson that Commissioner H.P. "Sandy" Purdon be elected as the Chairman for the Boating and Waterways Commission. The motion carried unanimously.

MOTION: It was moved by Commissioner Johnson and seconded by Chairman Purdon that Commissioner Lenora Clark be elected as the Vice Chairman for the Boating and Waterways Commission. The motion carried unanimously.

APPROVAL OF MINUTES

MOTION: It was moved by Commissioner Clark and seconded by Commissioner Johnson that the Boating and Waterways Commission minutes of the November 17, 2005, meeting be approved. The motion carried unanimously.

MOTION: It was moved by Commissioner Clark and seconded by Commissioner Johnson that the Boating and Waterways Commission minutes of the November 18, 2005, meeting be approved. The motion carried unanimously.

CHAIRMAN REPORT

Chairman Purdon reported that in April 2006, Governor Schwarzenegger appointed Robert Nagata, Warren Rupf and himself to the Boating and Waterways Commission. He congratulated Commissioner Nagata and Commissioner Rupf and said they are very qualified members and will bring much expertise to the Commission's deliberations.

Chairman Purdon reported he attended and made comments at the California Boating Safety Officers Associations' May conference in San Diego.

Chairman Purdon said he participated by teleconference with the Clean Marina National Conference which was held at the Virginia Institute of Marine Science, in Hampton, Virginia. He stated he was on a panel with individuals who run clean marina programs in New Jersey, Maryland, Virginia, South Carolina, Florida, Michigan, the Tennessee Valley Authority and Texas. Chairman Purdon said they were very interested in his program, since they all have oversight in administrations from government agencies.

Chairman Purdon commented that it has been some time since the last Commission meeting due to the fact that most of the projects for this fiscal year were approved early in the year. He stated that the next Commission meeting is planned for August and there should be a full agenda of boating facilities projects.

DIRECTOR'S REPORT

Mr. Tsuneyoshi reported that each year for the past four years the annual budget act has transferred more than \$27 million dollars from the boat gas tax to State Parks. He said the loss of the funding has significantly limited the Department's ability to fund small craft harbor improvement projects statewide.

Mr. Tsuneyoshi stated that the Department has a \$137 million backlog of applications for marina construction loans and boat launching facility grants and that the construction budget will decrease 50% by 2008-09 because of the transfer of money to State Parks. He added that California will need 500 to 900 new launch ramps over the next 20 years and more than \$800 million in recreational boating infrastructure improvements will be needed over the next 15 years.

Mr. Tsuneyoshi reported that the Department has had several inquiries from the boating community regarding the California Coastal Commission's recent practice of requiring some marinas to keep or add smaller berths when upgrading their facilities even though demand is higher for larger size slips. He said a policy letter was released in May expressing the Department's belief that the local marina owner is best qualified to determine slip size and distribution for a marina. Mr. Tsuneyoshi added that, because it is the Department's mandate to provide for boater access to the waterways, the Department will continue to work with boating organizations to advocate for berthing spaces commensurate with actual demand.

Mr. Tsuneyoshi reported on the Baykeeper study which was released on March 30. He said Baykeeper collected 422 water samples from four marinas in different areas of the San Francisco Bay and only 19 had bacteria levels that exceeded one or more water quality standards for bacteria. However, he added, of the 19 samples, 17 were collected from areas adjacent to a municipal storm drains so only 2 samples out of 422 showed high bacteria levels that might be associated with boating. The results of the study, he said, strongly support the belief that boaters care about our waters.

Mr. Tsuneyoshi stated that Ms. Vivian Matuk is managing the Boating Clean And Green Program for the Department and she recently applied for a \$1.6 million grant from the State Water Resources Control Board to develop a Delta Boating Program. The program, he said, will improve public access to marina based environmental services and measure their effectiveness in preventing pollution in the Sacramento Delta. He added that Ms. Matuk has also submitted a proposal for NOAA's Marine Debris Program grant of \$177,000 to implement a marine debris education and trash collection and recycling program to reduce marine debris at ten boat launch ramps in California.

Mr. Tsuneyoshi informed the Commission that NOAA recently released its Draft Management Plan and Draft Environmental Impact Statement for the Channel Islands National Marine Sanctuary. He said one of the proposed measures in the plan is to prohibit motorized personal watercraft within one mile of each island in the Sanctuary. Mr. Tsuneyoshi said the proposed banning of personal watercraft is discriminatory towards personal watercraft and that NOAA cites studies that are dated, based on east coast data, and none of them have analyzed the Channel Islands Sanctuary. He said the Department and the Commission can submit a letter to

NOAA with their concerns before the July 21 deadline for public comment. He added that he will be attending NOAA meetings, in Ventura and Santa Barbara.

Mr. Tsuneyoshi reported that the Department has established an abandoned vessels advisory committee and has prepared recommendations for the legislature to deal with the problem of abandoned vessels. He added that AB 716, which went into effect in January 2006, made several changes to make it easier to remove abandoned vessels from the waterways. Mr. Tsuneyoshi stated the Department plans to reassemble the advisory task force in September to discuss the possibility of a pilot “turn-in” program where boat owners could turn their old boats in to a local agency.

Mr. Tsuneyoshi informed the Commission of two meetings the Department will be hosting on mandatory boating safety education. The meetings, he said, will be in July and August and anyone interested in participating in the discussions can find the information on the Department’s website. He said more than 46 states require boaters to receive boating safety education or pass a test to operate a motorized vessel. Mr. Tsuneyoshi stated that there has been great support for the idea of requiring boating safety education in California.

LEGISLATIVE REPORT

Mr. David Johnson reviewed the Legislative Report and gave the Commission an update of legislative matters concerning the Department. Copies of the Legislative Report were available to the public and Mr. Johnson was available to answer questions from the Commission members.

Mr. David Johnson reported that there were no bills dealing with boating safety or access. He reviewed AB 1676, AB 1940, and SB 1378.

Chairman Purdon asked for an update on Sonoma County and the Department. Mr. David Johnson responded that the Department received a letter from the Sonoma’s executive officer five months ago and the letter indicated he was new to the office and was in the process of reviewing the Spud Point loan file and would like to meet with the Department, but the Department has not heard back from him. In the letter, David Johnson said, it was noted that Sonoma County wanted to have the commercial fishing industry at the meeting and discussions; we agreed to the meeting but declined the participation of the fishing industry. Sonoma County, he added, has not responded to our correspondence to hold a meeting between the two agencies.

Commissioner Reno asked for guidance as to what role the Commission may play on this subject. Chairman Purdon responded that he is comfortable with staff moving forward with any action that is needed. He added, there may have to be a closed session to discuss any definitive action that the Commission may want to take.

Commissioner Clark reminded the Commission that a Committee consisting of Commissioner Fleischman and herself was appointed by the Commission to work with Mr. David Johnson on the Spud Point issue. She added that she would like to be included in the discussions.

CONSENT CALENDAR

Mr. Flood informed the Commission that normally time extensions have been brought before the Commission in the February or March Commission meeting, but there was no meeting in February this year. The Director, he said, approved the Consent Calendar. Mr. Flood asked the Commission to retroactively approve the consent calendar.

MOTION: It was moved by Commissioner Reno and seconded by Commissioner Johnson that the Consent Calendar be retroactively approved as presented by Department staff. The motion carried unanimously.

CONSIDERATION OF PRIVATE LOANS

Ms. Just presented to the Commission for its advice and consent the following request for private recreational marina loans.

Oxnard Marinas

Oxnard Marinas, L.P. has applied to the Department of Boating and Waterways for a recreational marina loan in the amount of \$11,000,000 for improvements to the Peninsula and Bahia Marinas (Oxnard Marinas). This is the first phase loan of \$1,125,000.

The Oxnard Marinas are located within Channel Islands Harbor in the City of Oxnard and the County of Ventura, along the coast of southern California.

Loan funds will be used to make improvements to marina berths, utilities, gangways, security gates and utilities in the Oxnard Marinas, as well as improvements to the harbormaster building restroom, and the construction of a small dinghy dock.

Messrs. Randy Short, Tom Hogan, and Jeff Pence were available to answer questions from the Commission.

Ms. Just stated that staff recommended that the Commission consent to the \$1,125,000 first loan funding to Oxnard Marinas, L.P.

Public Comment

Ms. Vickie Finan, private citizen, pointed out that the plans for Oxnard Marinas show a reduction of boat slips and an expansion into the harbor of Channel Islands beyond the current slips. She reported that any expansion into the waterways and reduction of number of boat slips would require Coastal Commission approval. Ms. Finan informed the Commission that as far as she knows, the permits have not been approved by the County. Mr. Hogan replied that he is aware of the approval process with the local agencies, Army Corp. of Engineers and the Coastal Commission. He said the site location and boundaries are still in the process of being finalized.

but will be as the approval process continues. Mr. Flood added that funding of the loan will not be done until all of the approvals are in place.

Commissioner Johnson asked about the cash flow projection. He said the total numbers of slips for phase I and II, III and IV are 300 and the Feasibility Report states 352. He asked if it should be 124 slip reductions and how would it effect the cash flow projections. Mr. Flood responded that the cash flow projection is for a total of 352 slips and that there is a typo on page 3 under proposed project.

Commissioner Rupf asked if the variable rate that is applied only moves down and does not move up. Ms. Just responded that Mr. Rupf's statement was correct.

MOTION: It was moved by Commissioner Johnson and seconded by Commissioner Clark that the Boating and Waterways Commission approve the request from Oxnard Marinas L.P. for a Phase I recreational marina loan of \$1,125,000 to make improvements to the Oxnard Marinas. The motion carried unanimously.

Chairman Purdon expressed his concern about the allocation of \$1,125,000 of an \$11,000,000 proposed project and how they will come before the Commission at different phases. He asked how the Department is addressing the issue of funding on new marinas if State Parks is getting the money and added that the money the Department has is being used by the larger projects in phase funding. Ms. Just responded that no one loan can receive all of the money allotted for private loans. Every year the Department configures the funding to allow for new loans and the funding of phase loans. The borrowers, she said, are aware that there may be funding issues in the future. Mr. Flood added that the Department determines how much funding will be in the budget and, if necessary, divides projects into smaller complete projects. For example, Long Beach is divided by basins, Dana Point is divided into two separate loans, and San Francisco is divided into East and West projects. He said the Department will have problems with funding future projects since the money going to State Parks will not be repaid back to the Harbors and Watercraft Fund.

Chairman Purdon said many marinas that were built in the 60s and 70s now need to be replaced and there will be many requests for funding in the future. He said there needs to be a way to have funds allocated for these projects. Mr. Flood responded that by breaking them into smaller projects, they can be completed sooner and the Department can be repaid sooner and that would help increase the funds for future projects.

Mr. Tsuneyoshi said it is very critical that the loss of \$27 million not go unnoticed. He said every constituent group should step up and put pressure on the Administration and Legislature to get the money back.

Pier 38

Pier 38 Maritime Recreation Center, Inc., a California Corporation, and Carl Ernst Jr. have applied to the Department of Boating and Waterways for a recreational marina loan in the amount of \$2,625,000 for improvements to the Pier 38 Maritime Recreation Center. The proposed Phase I funding amount of \$2,375,000 for the project is \$250,000 less than the amount applied for due to the current lack of available Department funds and the appraised value of Pier 38.

Pier 38 is located on San Francisco Bay in the City and County of San Francisco and consists of an existing covered pier which houses dry storage, a harbor master's office, restrooms, retail and office space, and public access aprons on two sides of the building.

Loans will be used to make improvements to the public access aprons on the north and south side of the Pier 38 building, construct 10,807 square feet of berthing docks, construct a wave attenuator, and add public access improvements.

Ms. Just reported that this proposed project is designed to accommodate large yachts, 75 feet and over (mega yachts) and that the facility will be the first in Northern California. There is only one other mega yacht harbor in California; it is in the San Diego area. She stated it is a new type of project for the Department and for Northern California and there appears to be a demand for facilities to accommodate larger yachts.

Mr. Carl Ernst was available to answer any questions from the Commission.

Ms. Just stated that staff recommended that the Commission consent to the \$2,375,000 Phase I recreational marina loan to Pier 38 Inc.

Chairman Purdon asked about Table 1, page 6, under 2014, retail rents, where it shows a drop from 336 in 2013 to 173 in 2014. Mr. Ernst replied that it was a typo and he does not anticipate retail rents going down.

MOTION: It was moved by Commissioner Reno and seconded by Commissioner Johnson that the Boating and Waterways Commission approve the request from Pier 38 Maritime Recreation Center, Inc. for a Phase I recreational marina loan of \$2,375,000 to make improvements to Pier 38 Maritime Recreation Center. The motion carried unanimously.

CONSIDERATION OF PUBLIC LOAN TIME EXTENSION

Mr. Flood presented to the Commission for its advice and consent the following request for public loan time extension.

Martinez Marina Time Extension

Mr. Flood gave a history on the Martinez loan. He asked that the Commission consent to:

- 1) Extend the deadline to sign a long-term private operator from August 1, 2005, to December 1, 2006, to allow final attorney review of the agreement.
- 2) Extend the existing DBW loan commitment of \$2.973 million until December 1, 2006. All other requirements would remain as previously agreed upon.

Mayor, Rob Schroder, and Councilmember, Mr. Mark Ross, were available to answer any questions from the Commission.

Mr. Schroder indicated he has worked on the marina revitalization for about ten years and the agreement will revitalize and rebuild the marina. He said since Almar has taken over the management of the marina it has been making money and they are able to put money into the marina enterprise fund. Mr. Schroder had a copy of the resolution between Martinez Marina, L.L.P., the operator and developer. He also had a letter from Mr. Tom Hogan stating that once Martinez Marina, L.L.P. files its legal documents with the Secretary of State and becomes a legal entity, then both will sign the agreement, pending the approval of the Boating and Waterways Commission. He thanked the Commission.

Mr. Ross thanked the Commission and Department staff for all the hard work that has been put into this project. He stated that the City of Martinez has a pier that has fallen into the water and that there was a write up about it in the San Francisco Chronicle. Mr. Ross said the pier is such an important issue that they are proposing \$200,000 dollars from the city's general fund budget to have the pier removed rather than wait for the two years to obtain a loan. He said this shows the level of interest there is in the marina. Mr. Ross added that they will do what they can as a community to try and talk to the Legislature about restoring the Department's \$27 million.

Commissioner Reno asked what is driving the request for an extension and how reasonable is the December 1st deadline. Mr. Flood responded that the City of Martinez should have it done well before the December 1st deadline. Mr. Ross added it is just a matter for the Secretary of State's approval that Martinez Marina L.L.P. is a viable corporation in the State of California. Mr. Hogan added the document submitted to the Secretary of State is a repeated document that has been used in a number of transactions recently and is a virtual document in terms of just preparing it and signing it.

MOTION: It was moved by Commissioner Johnson and seconded by Commissioner Clark that the Boating and Waterways Commission approve the City of Martinez's request to the extension deadline to sign a long-term private operator from August 1, 2005, to December 1, 2006, to allow final attorney review of the agreement and extend the existing DBW loan commitment of \$2.973 million until December 1, 2006. All other requirements would

remain as previously agreed upon. The motion carried unanimously.

OLD BUSINESS

Environmental Issues and Copper Bottom Paint/Invasive Species

Mr. David Johnson gave a PowerPoint presentation on Copper Anti-Fouling Paint and Invasive Species. Handouts were available to the public.

Mr. David Johnson stated that Scripps Institution of Oceanography is conducting a \$100,000 study funded by the Department and will have an expected completion date of January 31, 2007. He said the study objective is to determine if copper anti-fouling paint affects benthic communities in Shelter Island, San Diego. Mr. David Johnson indicated that the Department of Pesticides Regulation (DPR) is doing the same kind of study but on a statewide basis. He said DPR will be performing water sampling at 24 coastal and inland marinas between July and September.

Chairman Purdon asked if DPR is doing the same kind of study as the Department. Mr. David Johnson replied that DPR is sampling for copper and other anti-fouling paints and the Department is studying the actual impact upon fauna.

Commissioner Clark stated that she heard that the sampling done by DPR was increased from 24 marinas to 47 marinas. Mr. David Johnson replied that he was not aware of the higher number and that he will get back to her on the correct number.

Chairman Purdon asked what effects do the first few invasive species shown on the PowerPoint presentation have on the environment. Mr. David Johnson replied he does not know and will get back to him.

Mr. David Johnson stated that a representative of the Department of Pesticide Regulation will be at the next Commission meeting and give a presentation on their investigation on copper anti-fouling paints.

NEW BUSINESS

Clean Marinas California

Chairman Purdon gave a PowerPoint presentation on Clean Marinas California (CMC). The Clean Marinas California Program is a partnership of private marina owners, government marina operators and yacht clubs. Chairman Purdon is the CMC's General Chairman. Handouts of the presentation were available to the public.

Chairman Purdon said he welcomes any suggestions on how to improve the program and make it better. He added that he would like to certify a majority of the marinas in California and reach out to Northern California as well as share the information with other states.

Commissioner Reno complimented the team who developed the Clean Marinas California program and said they have achieved much in the two years it has been in existence. He asked how Ms. Matuk's program is related to the CMC program. Mr. Tsuneyoshi replied it is complimentary because of the outreach on the Dock Walker's program to boaters; and, she also works with the marinas. The CMC, he added, does work with Ms. Matuk's program.

PUBLIC COMMENT

Eric Endersby, California Associations of Harbor Masters and Port Captains, commented on issues that are of concern to his association. He said copper bottom paint is an issue and concern to his association as well as the issue of the Department's budget. Mr. Endersby stated the money taken from the Department can only be siphoned so far until the Department's budget heads for a big train wreck. He stated that there are public and private operators who rely not only on the Department's loans and grants but also the other divisions in the Department such as, the legislative, operational and administration. Mr. Endersby said they will do everything they can to help maintain the Department's budget.

Mr. Endersby said another issue is the abandoned vessel program and the continued operation of the Abandoned Vessels Advisory Committee and its work on streamlining the process. He said the issue of seaworthiness ties into the abandoned vessels program and that his association is working on a State-backed definition of seaworthiness.

Invasive species and copper bottom paints, he said, also ties together and questioned whether there is a problem with copper bottom paints. His association, he said, has been working with DPR in trying to help with the two year study.

Mr. Endersby stated there should be guidelines for pumpout stations based on need and local expertise not a one size fits all formula.

Mr. Endersby said that the State Lands Commission has tried to dictate a slip mix where it is the marina operator that should decide what is viable and what the market demand is. There has been a trend, he said, to look at California vessel registrations where the majority of them are registered smaller boats or trailerable boats. Dry stack storage, he said, is not huge on the west coast yet, but may be in the future.

Mr. Endersby said another issue is fishery management which has become increasingly strict in the State of California and it has become harder for fishermen to make a living.

Mr. Endersby stated that permitting and regulatory issues have been a problem and any streamlining will benefit everyone. He said some of the simplest projects can require up to 14 permits and take three years to obtain, so any streamlining that can take place can help everyone.

Randy Short, Marina Recreation Association, spoke on boating issues. He said many harbors did not exist until the production of the fiberglass boats. The Department, he said, has done a great job on setting guidelines for beams, walkway width, backing space and is starting to

engage with the slip mix issue. Mr. Short stated that with the Needs Assessment study the Department has identified where boating is headed.

Mr. Short stated that there is a problem with the Coastal Commission trying to regulate the slip size at marinas. He added that the Coastal Commission does not have any information on slip mix and has no input on the issue, so they have been grasping at straws to come up with the appropriate slip mix. Mr. Short said there has been pressure by boaters who do not want to lose the numbers of slips and do not want to have the small boats go away. As a result, he said, one marina in Marina del Rey was forced to build over 100, 28' slips and at last count less than half are occupied. The demand for the smaller slips, he stated, was not there, but the Coastal Commission felt because there are no guidelines they needed to do something.

Mr. Short reported that another issue is enforcement. He gave an example of a delta marina customer who reported that a delta deputy sheriff told varnishers, who were working on a boat, that varnish and paint work is illegal if done in the berths and that it is now considered boatyard work. The sheriff told them they could be fined \$500 each and \$500 fines for open solvents, varnishes or paints that are on the dock. Mr. Short said it was later discovered that an ordinance amending the water safety code for the San Joaquin County was to be on the consent calendar for the board of supervisors meeting and if passed would be adopted on June 27.

Another issue, Mr. Short pointed out, is pumpout and dump stations. He said the regional water quality control board asked the Department of Boating and Waterways to write a report on the need for additional pumpout stations. The Department then went to a quasi environmental group to write or assist in the writing of the report. The report, he said, was published and placed on the internet as the final document. Mr. Short added that a workshop was then setup and only a handful of people were notified of the workshop. He stated that the report dictated that in Marina del Rey there needed to be an additional 40-50 pumpouts and dump stations. Mr. Short said he called various organizations to let them know of the workshop. He said there was no measurement of demand to see if the additional pumpouts were really needed. Mr. Short added that in the Channel Islands Harbor, the county wants to create all the pumpouts and be responsible for their maintenance, etc., but the suggested regulations that were in the report would not permit any flexibility.

Mr. Short stated that the Department needs to develop, with its industry partners, a proactive plan to guide boating and where boating is going, and to be quickly responsive and reactive when they are by-passed on issues which negatively impacts boaters. He said as the representative of the only marina organization representing the private marina operators; they will pledge to work side by side with the Department to accomplish this. Mr. Short added that the private marinas make up 80 % of the marinas in the State of California, so the promise is not a hollow promise by a small group. He noted that while his organization represents 80% of the marinas in the State of California, 80% of the Department's funds go to the publicly municipally operated marinas and 20% of the Department's funds go to the 80% of the marinas.

Commissioner Rupf noted that all of the private marinas make a profit and the municipal marinas do not.

Commissioner Reno asked what the Department is doing to educate the Coastal Commission on the slip mix issue. Mr. Tsuneyoshi responded that the Department is working with the Coastal Commission to educate them on this issue. He added if anyone hears of or knows about meetings that the Department should attend to please let him know about it.

Commissioner Reno asked if the Department has policy positions on the issues discussed today. He added there is policy being generated throughout the government environment that is impacting the boating community without any voice or vocalization on part of the Commission. We should, he said, identify ways to further ensure that the discussions are not taken with the Commission's absence.

Lenora Clark, spoke as the Vice President of Recreational Boaters of California (RBOC). She said that past president Bill Patton was suppose to be representing RBOC, but was not able to attend. Ms. Clark said RBOC is a nonprofit governmental advocacy organization that works to protect the rights and enhanced interest of California's recreational boaters. She said RBOC is made up of nine directors from the north and nine directors from the south to lobby and deal with the elected representatives on issues and bills that impact boaters' ability to recreate.

Ms. Clark stated that the concerns are issues of the state budget, its effect on recreational boaters and the \$27 million that was transferred to State Parks. She stated that RBOC supports the Department and is willing to work with the Department in any kind of stakeholder group or organizations that the Department needs to assemble to get the word across. Ms. Clark said RBOC does very well in rallying the recreational boaters behind a cause and can get letter writing campaigns and people to speak out on the issues that affect the boaters. She said RBOC will be attending the Mandatory Education Workshop and is attempting to see what the constituents feel about the need for mandatory education.

Ms. Clark said RBOC considers itself a good steward of the environment and want to do what is right for water and the environment and still have the ability to enjoy boating. She stated that with the State Lands Commission's resolution, RBOC states that it is premature until there is good science that says the leeching of the copper from the bottoms of the boats is causing harm to the ecosystem and is harming the environment. When it is proved that copper is doing the harm to the environment, then RBOC is willing to do whatever is necessary as good stewards of the environment. Ms. Clark stated that she is glad to hear that the Department's study on copper bottom paints is moving forward in addition to the DPR sampling study. RBOC will be available at those sampling and to monitor how the methodology is being put forth.

Ms. Clark stated that another concern for RBOC is the Board of Equalization's revision of the property tax rule 23.2 which has to do with the county assessors being able to ignore the terms of club leases and to restructure the taxes on those leases.

Ms. Clark said she is very glad that the Department is funding some buoys fields in Lake Tahoe. She said RBOC has been in discussions with the Tahoe Regional Planning Agency and other agencies where they want to ban boating in Emerald Bay and now there is talk about speed limits instead of a ban.

Ms. Clark reported that she attended the Delta Vision Conference that was held at the University of the Pacific on June 6 and 7. She said she was glad to see people recognizing that the Delta is not only a fun place to boat but is the water for 20 million Californians. Ms. Clark said some of the information from the conference will lead to the Governor's strategic plan.

Ms. Clark reported that RBOC is looking into the sunseting of the out-of-state purchase that went into effect for boats, aircraft and recreational vehicles. There is a report, she said, on the economic impact of the bill and whether or not it should be continued or not.

Phil Deffenbaugh, US Army Corp. of Engineers, Manager of Lake Kaweah, reported that there is a contract with the Department for the development of a new launch ramp at Slick Rock Recreation Area. He said the initial contract was unable to be fulfilled so another location was found which allowed \$500,000 to be returned to the Department. Mr. Deffenbaugh said as the project proceeded through the design and built phase, it was found that the best alignment for access would cost more money. He said he would like the money to be reverted back to the project so it can be used. Mr. Deffenbaugh handed the Commissioners a letter which addresses the options. He said this is for future consideration.

Mr. Flood responded that Department staff is researching to find out if the money actually reverted back the revolving fund. If the funds are available then a new feasibility report needs to be done and come before the Commission sometime in the next fiscal year.

Brian Roney, Manager, Casitas Municipal Water District, reported that he took Mr. Watanabe on a tour of the recently completed \$1.4 million grant project at Lake Casitas that the Commission approved years ago. He said the unique feature of the facility is that it is completely self-funded and the operational budget is based completely on user fees and not subsidized by taxpayer or water rate payer dollars. Mr. Roney said that his District has requested through the joint legislative audit committee an audit of the State Parks use of the \$27 million that has been funded continuously to State Parks. He said the District feels that the money has not been used for boating-related purposes and he hopes the Commission will support such an audit. Mr. David Johnson responded that the Department has to support the Governor's budget. He said in the May Revise, it was stated that \$15 million of the \$27 million going to State Parks would be returned to the Department, but it was rejected by the budget subcommittees in the Assembly and Senate. Mr. David Johnson said the Commission is independent and can take a position independent of the Governor's office and of the Department's position on bills and legislation related to boating. Mr. David Johnson said the Department can add this topic to the next meeting's agenda so that staff can provide some factual information on this issue.

Commissioner Rupf stated that his organization wrote letters in support of the return of the money as proposed in the Governor's office and that the response he received led him to believe that they viewed it as a choice between cutting more money out of the general fund or restoring the Department's budget. He said he is very comfortable in supporting the idea of an audit and that any public agency should be able to stand up to the scrutiny of a review of how they are spending their money and where they are spending it.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Johnson that the Boating and Waterways staff draft a position of support for an audit of expenditures by the California State Parks.

Commissioner Reno stated the Commission has a distinct and an exceptional responsibility to engage in this matter, if in fact we subscribe to the notion that the money is inappropriately allocated. An audit, he said, challenging a sister agency as to the appropriations and administration of the funding is important but it is a piece part to the overall issue. Commissioner Reno added that the Department is in a crisis situation and if the fiduciary aspect of what the Department does is not resolved then there will not be the means to address further infrastructure improvements.

Commissioner Clark asked that staff provide the Commission with very detailed background information on the history of the money that has been taken from the revolving account and moved over to State Parks and that will be the first step to saying we are interested in seeing where all the money has gone.

Commissioner Reno said the distinct concern of an audit is that if it comes back in a former fashion that it has been administrative effectively as the State Parks Department sees it, then the Commission is okay with it and will endorse it.

Commissioner Johnson responded that if a draft letter from the Department is sent, then what value will it have unless we can determine that it will not go in circular file, so the Commission should not just put out a letter but get it to have some clout and not just have the Commission agreeing with what was said here today.

Mr. David Johnson said the Department's legal counsel is not present at this meeting but believes an item has to be on the agenda in order for the Commission to have a vote.

Commissioner Rupf responded that his motion was for a draft document and not to take a position to send the document. He said he was not suggesting that the Commission ask for an audit.

Chairman Purdon asked that Commissioner Rupf restate the motion.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Reno that the Boating and Waterways staff draft a letter of support of the requested audit of how the monies that have been diverted from the Boating and Waterways budget to the California State Parks budget. The motion carried unanimously.

Commissioner Rupf added that there certainly has to be some facts and figures on the agenda for the next meeting either in closed or open session.

Commissioner Reno stated that in the future there should be some set policy that the Commission can endorse. For instance, he said, does the Commission have a policy on budget allocation, mix and slip use, etc. Commissioner Reno said staff can provide the Commission with guidance and policy pieces that are consistent with what is being said today. Chairman Purdon responded that the Department staff is going to develop further in the way of recommendations. Commissioner Reno asked if it will happen for the next meeting. Chairman Purdon responded it will. Mr. Tsuneyoshi added that it is in process and the Department can give the Commission a progress report, but on some issues there is not enough data to make any solid recommendations about where the issues will be headed.

Commissioner Clark added that the Commission had some discussion at a previous meeting when the Sacramento marina was before the Commission for some funding and it was discussed that the marina was grandfathering the opportunity to keep the slips where a boat had been berthed along with the sale of the boat, even though there is a five-year waiting list. She said the Commission was in agreement at the meeting that it was something that should not continue and it was also discussed whether or not it will be a policy that could be taken by the Commission and turned into a regulation or requirement when a marina comes before the Commission on a proposed project. Mr. Tsuneyoshi responded that the counties and municipalities may not like the idea since they are the ones who manage the marinas and we do not have any regulations that address the issue. He added that if the Department gives the Commission any guidelines on this, the guidelines may be viewed as underground regulations.

Commissioner Clark said that the Department should give the Commission more information on this issue. Chairman Purdon stated that the Commission has an obligation to the public. He added that this should be developed at the next meeting.

Commissioner Reno asked if he could get a brief update as to the feedback on the presentation done by NOAA at our November Commission meeting. Mr. David Johnson responded that NOAA's timelines with regards to the regulations have lapsed and the Department has not received any feedback from NOAA. Mr. Donaldson reported that Mr. Douros has received a promotion and is now director for a specific region as oppose to the Monterey Sanctuary. He will now be overseeing policy development of all sanctuaries in the Pacific.

Mr. David Johnson replied that the staff will write a letter about the concerns of the Channel Islands Sanctuary on behalf of the Department and the Commission.

COMMISSIONER ANNOUNCEMENTS

Mr. David Johnson reported that it is believed that the budget will be out before July 7th. He said the next Commission meeting will have a full number of grant and loan projects beginning July 1st.

Chairman Purdon asked that the Department get back to the Commission on a date for the next Commission meeting.

ADJOURNMENT

Chairman Purdon adjourned the meeting at 1:30 P.M.

Original signed by:

Raynor Tsuneyoshi, Secretary